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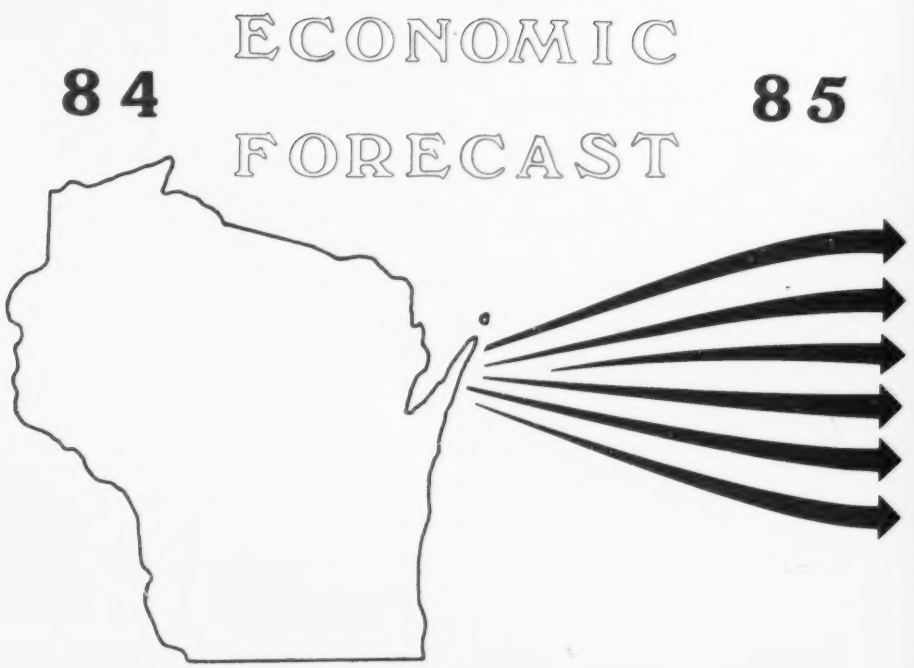
August 1984

JOB SERVICE WISCONSIN

Wisconsin Employment and Economic Indicators



WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Personal Income	"Business Week," McGraw Hill
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Manufacturing Employment	Wis. Dept. of Industgry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

THE WISCONSIN ECONOMY

SUMMARY FOR JULY

WISCONSIN'S LEADING INDICATORS OF ECONOMIC ACTIVITY REMAIN MIXED IN JULY. A SLIGHT RISE IN UNEMPLOYMENT AND A DECREASE OF EMPLOYMENT ARE NOT SUFFICIENTLY STRONG TO INDICATE THAT THE STATE RECOVERY HAS STALLED. THE EMPLOYMENT DECLINE IS MOSTLY RELATED TO SEASONAL FACTORS.

LEADING INDICATORS

Wisconsin's Composite Index of Leading Indicators improved by 3 points over the previous month's figure.

The length of the average workweek for production workers in manufacturing fell by four-tenths of an hour in July. The average measurement ranges between about 39 and 42 during a business cycle, so four-tenths is a significant change. However, a June-to-July decrease of the average workweek is typical. Overtime hours in manufacturing increased slightly, and that is normal for this time of the year.

Initial claims for unemployment compensation increased in July, a month which generally does show an increase. This month's large growth, however, surpasses the normal seasonal trend. Much of the increase is due to temporary layoffs in the state's motor vehicle manufacturing industry, which made a yearly model changeover in July, a month earlier than last year, and which also made inventory adjustments.

The total number of job openings received by Job Service offices increased at a much greater seasonal pace, attesting to hiring activity by employers.

At the same time, building plans examined by the state had a greater than seasonal increase, indicating growth in future construction of commercial and industrial buildings.

OTHER INDICATORS

The Help-Wanted Advertising Index increased to 52 in June. The index measures the volume of newspaper ads for workers, and is based on an index year of 1967 equal to 100. This month's 52 is the highest figure since the fall of 1981.

New car registrations were down in July, but not by the normal seasonal amount. So, while registrations are down, the trend is above normal.

WISCONSIN LABOR FORCE

Employment throughout the state plunged by over 21,000 from June to July. Though this movement is quite large, and is the number of actual individuals not working, most of the decrease is due to normal seasonal trends. Employment usually decreases in July. The seasonally adjusted employment trend decreased by under 3,000. The large employment decrease, in fact, resulted from summer closing of schools. Most of the other major industry sectors - manufacturing, construction, trade, finance, insurance and real estate, and service - had employment gains. The exception, transportation, had a decrease resulting from lower employment in the school busing segment.

Unemployment increased in July; adding 2,500 more job-seekers. Total unemployment usually decreases in the June to July period, but only slightly. At first glance, this month's rise in unemployment seems surprisingly small when considering the 21,000 decline in employment. But, again, this is due to summer leave of educational facilities and supporting industries. Many school workers simply drop out of the labor force in summer. Wisconsin's labor force shrank by 18,500 in July.

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1983
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	71.5	Jul	68.5	69.8	4.4	2.4	58.0
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	40.9	Jul	41.3	40.4	-1.0	1.2	40.7
Seasonally Adjusted		41.2		41.3	40.7	-0.2	1.2	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.3	Jul	3.2	2.7	3.1	22.2	2.8
Seasonally Adjusted		3.3		3.3	2.7	0.0	22.2	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	10,025	Jul	8,306	11,199	20.7	-10.5	14,694
Seasonally Adjusted		11,536		9,364	12,881	23.2	-10.4	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	11,868	Jul	9,230	9,815	28.6	20.9	7,099
Seasonally Adjusted		9,657		7,559	7,984	27.6	21.0	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	567	Jul	573	470	-1.0	20.6	544
Seasonally Adjusted		556		497	461	11.9	20.6	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	-1,762	Jul	1,717	1,656	-202.6	-206.4	892
Seasonally Adjusted		324		266	1,148	21.8	-71.8	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	586	Jul	515	499	13.8	17.4	275
Seasonally Adjusted		514		357	437	44.0	17.6	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	52	Jun	43	35	20.9	48.5	38
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	7.4	Jul	7.2	9.6	-	-	10.4
Seasonally Adjusted		7.7		7.6	9.7	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	120.8	Jun	178.4	118.6	-32.3	1.9	247.9
Seasonally Adjusted		242.1		250.6	237.5	-3.4	1.9	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	15,127	Jul	20,272	13,621	-25.4	11.1	14,429
Seasonally Adjusted		15,932		13,826	14,339	15.2	11.1	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1874.3	Jun	1797.2	1770.0	4.3	5.9	1,765
Seasonally Adjusted		1878.1		1862.4	1773.3	0.8	5.9	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	62.2	Jul	77.4	61.2	-19.6	1.6	143.3
Seasonally Adjusted		52.2		83.7	51.4	-37.6	1.6	

Section

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1983
C7 PERSONAL INCOME								
Unadjusted	MIL. DOL.	4,738	May	4,775	4,350	-0.8	8.9	4,449
Seasonally Adjusted		4,776		4,833	4,383	-1.2	9.0	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	406.95	Jul	412.59	393.50	-1.4	3.4	398.01
Seasonally Adjusted		413.57		412.18	399.80	0.3	3.4	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	400.7	May	366.4	395.1	9.4	1.4	415.3
Seasonally Adjusted		408.9		388.1	403.1	5.4	1.4	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS.	63.4	Jul	60.2	59.2	5.3	7.1	55.0
Seasonally Adjusted		56.7		55.5	52.9	2.2	7.2	
OTHER KEY INDICATORS								
XI BIRTH REGISTRATIONS								
Unadjusted	NUMBER	7,096	Jul	5,721	5,552	24.0	27.8	6,006
Seasonally Adjusted		6,758		5,756	5,289	17.4	27.8	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	3,643	Jul	3,313	3,056	10.0	19.2	3,391
Seasonally Adjusted		3,771		3,469	3,162	8.7	19.3	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	3,453	Jul	2,408	2,496	43.4	38.4	2,615
Seasonally Adjusted		3,032		2,285	2,191	32.7	38.4	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	4,639	Jul	4,600	4,317	0.8	7.5	3,340
Seasonally Adjusted		3,314		3,343	3,085	-0.9	7.4	
X5 CONSUMER PRICE INDEX (MILW.)				(May)				
Unadjusted	INDEX	321.3	Jul	320.5	310.1	0.2	3.6	309.5
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	143	Jul	143	139	0.0	2.9	142
Seasonally Adjusted		145		143	141	1.4	2.8	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	-1,413	Jul	320	1,205	-541.6	-217.3	872
Seasonally Adjusted		-15		-74	966	79.7	-101.6	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	119	Jul	299	1,491	-60.2	-86.7	2,542
Seasonally Adjusted		61		221	763	-72.4	-92.0	
X9 MANUFACTURING EMPL.								
Unadjusted	THOUS.	513.4	Jul	507.8	495.1	1.1	3.7	486.0
Seasonally Adjusted		504.3		505.8	486.2	-0.3	3.7	

Section

B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2439.3	2457.8	2443.4	-0.8	-0.2
Employment (Inc. Labor Disputes)	2259.9	2281.0	2209.0	-0.9	2.3
Unemployment	179.4	176.9	234.4	1.4	-23.5
Unemployment Rate	7.4	7.2	9.6	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2431.5	2430.5	2389.3	0.0	1.8
Employment (Inc. Labor Disputes)	2243.4	2246.2	2157.0	-0.1	4.0
Unemployment	188.1	184.3	232.3	2.1	-19.0
Unemployment Rate	7.7	7.6	9.7	-	-

WISCONSIN EMPLOYMENT ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	1918.3	1927.9	1854.4	-0.5	3.4
Unadjusted					
Manufacturing	513.3	507.6	493.7	1.1	4.0
Mining	2.8	2.9	2.7	-3.4	3.7
Contract Construction	63.4	60.2	59.2	5.3	7.1
Transportation and Public Utilities	83.8	86.6	82.8	-3.2	1.2
Elec., Gas and Sanitary Services	17.7	17.5	16.9	1.1	4.7
Wholesale Trade	102.4	102.0	97.7	0.4	4.8
Retail Trade	347.0	346.3	332.5	0.2	4.4
General Merchandise	44.0	44.1	42.9	-0.2	2.6
Finance, Insurance and Real Estate	100.8	99.9	98.7	0.9	2.1
Banking	27.8	27.7	26.9	0.4	3.3
Insurance	31.8	31.8	32.6	0.0	-2.5
Service and Miscellaneous	406.0	403.1	389.7	0.7	4.2
Hospitals	71.5	71.7	74.8	-0.3	-4.4
Private Education	20.0	21.6	19.6	-7.4	2.0
Government	298.7	319.3	297.4	-6.5	0.4
State Government	75.8	76.6	75.0	-1.0	1.1
Local Government	194.0	214.0	194.2	-9.3	-0.1

UNITED STATES LABOR FORCE ESTIMATES JULY	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	113,938	113,877	111,825	0.1	1.9
Employment	105,395	105,748	101,225	-0.3	4.1
Unemployment	8,543	8,130	10,600	5.1	-19.4
Unemployment Rate	7.5	7.1	9.5	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* JULY	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	513.3	507.6	493.7
All Manufacturing (Excluding Canning)	498.1	500.3	478.7
Durable Goods	314.3	315.6	298.7
Lumber and Wood Prod., (Except Furniture)	23.3	23.4	21.0
Sawmills and Planning Mills	2.7	2.7	2.7
Millwork, Veneer, Plywood & Prefab. Wood Prod.	10.5	10.5	9.6
Furniture and Fixtures	9.4	9.3	8.7
Household Furniture	4.3	4.4	3.8
Stone, Clay and Glass Products	8.7	8.6	8.6
Concrete, Gypsum and Plaster Products	4.0	3.9	4.1
Primary Metal Industries	20.1	20.3	17.3
Iron and Steel Foundries	11.3	11.3	9.4
Fabricated Metal Products	51.0	50.9	49.2
Heating Equipment (Except Electrical) & Plumbing Fixtures	5.2	5.1	5.1
Fabricated Structural Metal Products	12.5	12.4	11.4
Metal Stampings	12.2	12.2	12.6
Machinery (Except Electrical)	96.9	96.5	92.3
Engines and Turbines	19.2	19.3	19.4
Farm Machinery and Equipment	12.7	12.4	12.0
Const., Min. & Material Handling Mach. & Equip.	12.7	12.9	12.3
Metalworking Machinery and Equipment	10.1	10.1	9.5
Special Industry Machinery (Except Metalworking)	10.1	9.8	9.6
General Industrial Machinery and Equipment	14.2	14.1	12.9
Service Industry Machines	7.7	7.6	7.4
Electrical Machinery, Equipment and Supplies	49.8	50.2	48.1
Electrical Industrial Apparatus	17.3	17.5	16.4
Household Appliances	6.4	6.6	6.3
Transportation Equipment	34.4	35.6	33.7
Motor Vehicles and Equipment	28.5	29.2	27.7
Instruments and Related Products	10.2	10.4	9.8
Miscellaneous Manufacturing	10.5	10.5	10.0
Nondurable Goods	199.0	191.9	195.0
Food and Kindred Products	67.9	59.8	68.1
Meat Products	14.3	14.2	13.8
Dairy Products	17.1	17.1	17.7
Canning and Preserving	15.1	7.2	15.0
Bakery Products	4.3	4.6	4.9
Beverage Industries	9.8	9.6	9.3
Textile Mill Products	5.1	5.1	4.7
Knitting Mills	4.3	4.3	3.9
Apparel and Other Finished Products	7.1	7.2	6.6
Paper and Allied Products	48.2	48.3	47.8
Pulp and Paper Mills	30.0	30.2	29.7
Converted Paper and Paperboard Products	9.5	9.5	9.5
Paperboard Containers and Boxes	7.5	7.3	7.3
Printing, Publishing and Allied Industries	34.2	34.2	32.9
Newspapers	10.9	11.0	10.5
Commercial Printing	14.4	14.4	13.6
Chemicals and Allied Products	9.5	9.4	9.4
Rubber and Misc. Plastics Products	18.8	19.1	17.0
Miscellaneous Plastics Products	14.2	14.5	13.0
Leather and Leather Products	8.0	8.5	8.0
Leather Tanning and Finishing	2.0	2.2	2.4
Footwear (Except Rubber)	4.3	4.5	4.0
Other Nondurable Goods	-	-	-

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JULY	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$407	$413	$394	40.9	41.3	40.4
All Manufacturing (Excl. Canning)	414	415	403	41.1	41.4	40.7
Durable Goods	421	422	408	41.1	41.4	40.6
Lumber/Wood Prod. (Exc. Furn.)	302	308	298	40.5	41.8	41.4
Furniture and Fixtures	308	309	299	40.8	41.7	40.3
Stone, Clay and Glass Products	402	405	382	42.2	42.5	42.4
Primary Metal Industries	404	411	376	41.7	42.5	39.6
Iron and Steel Foundries	419	431	381	42.6	43.4	39.4
Fabricated Metal Products	395	409	390	39.9	40.7	39.6
Fab. Structural Metal Prod.	422	432	401	42.2	42.9	39.9
Metal Stampings	374	374	365	38.4	38.3	38.8
Machinery (Except Electrical)	478	474	467	41.8	41.7	41.8
Engines and Turbines	544	481	538	43.8	40.3	44.5
Farm Machinery and Equip.	505	537	505	41.3	41.7	41.4
Const. and Related Mach.	491	509	457	42.3	42.3	40.2
Metalworking Mach. and Equip.	485	489	435	41.4	43.0	40.0
Spec. Ind. Mach. (Exc. Metal).	463	478	468	41.9	43.4	44.0
Gen. Industrial Mach. and Equip.	475	486	434	40.8	41.6	39.3
Electrical Mach., Equip. and Supp.	395	394	390	41.1	41.3	41.2
Electrical Industrial Apparatus	451	434	431	44.2	42.8	43.4
Transportation Equipment	551	533	507	41.7	40.9	39.5
Instruments and Related Prod.	340	359	321	40.5	41.7	35.8
Nondurable Goods	385	398	374	40.6	41.2	40.2
Food and Kindred Products	337	373	337	38.2	39.3	38.3
Meat Products	354	356	408	38.9	38.8	39.6
Dairy Products	374	376	370	40.6	40.1	40.5
Textile Mill Products	272	276	266	39.9	40.9	39.0
Apparel and Other Fin. Prod.	228	235	217	38.6	38.4	38.5
Paper and Allied Products	517	499	477	46.2	45.0	44.6
Pulp and Paper Mills	571	537	519	48.3	46.2	46.2
Printing, Pub. and Allied Prod.	421	424	420	38.9	39.4	38.9
Chemicals and Allied Products	433	444	416	41.5	42.4	41.4
Rubber and Misc. Plastics Prod.	324	344	312	40.2	42.0	38.9
Leather and Leather Products.	245	261	260	37.7	39.0	39.2

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JULY	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	9.95	9.99	9.74	9.58	9.63	9.42
All Manufacturing (Excl. Canning)	10.07	10.03	9.90	9.70	9.66	9.57
Durable Goods	10.24	10.19	10.04	9.92	9.87	9.76
Lumber/Wood Prod. (Exc. Furn.)	7.45	7.36	7.21	7.32	7.23	6.99
Furniture and Fixtures	7.54	7.40	7.41	7.40	7.34	7.35
Stone, Clay and Glass Products	9.52	9.53	9.01	9.34	9.37	8.71
Primary Metal Industries	9.69	9.67	9.50	9.31	9.26	9.30
Iron and Steel Foundries	9.83	9.93	9.66	9.45	9.51	9.47
Fabricated Metal Products	9.91	10.05	9.85	9.47	9.61	9.46
Fab. Structural Metal Prod.	9.99	10.07	10.05	9.53	9.64	9.84
Metal Stampings	9.74	9.77	9.41	9.56	9.58	9.22
Machinery (Except Electrical)	11.44	11.37	11.18	11.18	11.06	11.00
Engines and Turbines	12.41	11.93	12.10	12.17	11.67	11.89
Farm Machinery and Equip.	12.22	12.88	12.20	12.04	12.62	12.06
Const. and Related Mach.	11.60	12.03	11.36	11.35	11.82	11.25
Metalworking Mach. and Equip.	11.72	11.38	10.87	11.20	10.82	10.63
Spec. Ind. Mach. (Exc. Metal).	11.04	11.02	10.63	10.54	10.49	10.37
Gen. Industrial Mach. and Equip.	11.63	11.68	11.05	11.39	11.29	10.94
Electrical Mach., Equip. and Supp.	9.60	9.53	9.47	9.56	9.28	9.21
Electrical Industrial Apparatus	10.20	10.15	9.94	9.92	9.87	9.71
Transportation Equipment	13.22	13.02	12.84	12.43	12.49	12.18
Instruments and Related Prod.	8.39	8.62	8.96	8.20	8.29	-
Nondurable Goods	9.48	9.66	9.30	9.02	9.22	8.88
Food and Kindred Products	8.81	9.48	8.81	8.44	9.08	8.31
Meat Products	9.11	9.17	10.31	8.82	8.91	9.78
Dairy Products	9.20	9.38	9.14	8.82	8.96	8.77
Textile Mill Products	6.82	6.76	6.81	6.59	6.54	6.58
Apparel and Other Fin. Prod.	5.90	6.13	5.64	-	5.99	5.54
Paper and Allied Products	11.20	11.09	10.69	10.61	10.58	10.16
Pulp and Paper Mills	11.82	11.62	11.23	11.15	11.10	10.65
Printing, Pub. and Allied Prod.	10.83	10.76	10.79	-	-	-
Chemicals and Allied Products	10.43	10.47	10.04	10.21	10.19	9.86
Rubber and Misc. Plastics Prod.	8.07	8.18	8.01	7.76	7.79	7.92
Leather and Leather Products.	6.50	6.70	6.62	6.45	6.57	6.52

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers *(Unadjusted)* JULY	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$370	$373	$354	40.4	40.8	40.0	9.17	9.14	8.84	-	-
Wisconsin	407	413	394	40.9	41.3	40.4	9.95	9.99	9.74	9.58	9.63
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	411	412	397	42.5	42.5	42.2	9.66	9.70	9.41	9.24	9.28
Beloit (City)	362	367	407	39.0	39.6	44.6	9.28	9.27	9.12	-	-
Eau Claire (Eau Claire-Chippewa)	399	424	382	40.4	42.1	40.6	9.88	10.06	9.42	9.72	9.74
Fond du Lac (County)	377	386	347	41.6	42.4	40.1	9.06	9.09	8.66	8.67	8.73
Green Bay (Brown County)	437	448	429	42.4	42.4	41.7	10.30	10.56	10.29	9.78	10.17
Janesville (City)	545	548	477	41.1	41.9	39.1	13.27	13.09	12.21	12.51	12.85
Janesville-Beloit (Rock County)	465	466	427	40.2	40.7	40.5	11.57	11.45	10.55	10.87	11.13
Kenosha (County)	487	463	447	41.1	39.3	38.0	11.85	11.77	11.75	11.21	11.32
La Crosse (County)	332	337	367	37.8	37.8	40.4	8.78	8.91	9.08	8.47	8.47
Madison (Dane County)	405	399	378	41.0	40.4	40.6	9.89	9.88	9.31	9.36	9.47
Manitowoc (County)	337	358	317	39.2	40.3	38.7	8.59	8.88	8.17	8.44	8.63
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	463	465	446	41.1	41.8	41.0	11.26	11.13	10.87	10.83	10.72
Racine (County)	412	417	402	39.2	39.9	39.8	10.52	10.46	10.09	10.26	10.16
Sheboygan (County)	369	386	349	39.3	40.0	38.1	9.39	9.64	9.16	9.09	9.28
Wausau (Marathon County)	412	397	385	43.5	42.9	41.7	9.46	9.26	9.24	9.06	8.89

EMPLOYMENT, MFG. *(Unadjusted)* JULY	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,690.0	19,780.0	18,464.0	-0.5	6.6
Wisconsin	513.3	507.6	493.7	1.1	4.0
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	48.0	47.8	45.8	0.4	4.8
Beloit (City)	5.5	5.4	6.0	1.9	-8.3
Eau Claire (Eau Claire-Chippewa)	9.4	9.3	9.3	1.1	1.1
Fond du Lac (County)	9.9	10.1	9.7	-2.0	2.1
Green Bay (Brown County)	22.8	21.6	21.8	5.6	4.6
Janesville (City)	11.2	11.0	10.2	1.8	9.8
Janesville-Beloit (Rock County)	19.1	18.9	18.3	1.1	4.4
Kenosha (County)	17.3	17.9	17.0	-3.4	1.8
La Crosse (County)	10.7	10.5	10.0	1.9	7.0
Madison (Dane County)	20.0	19.6	19.5	2.0	2.6
Manitowoc (County)	10.9	10.7	11.5	1.9	-5.2
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	168.2	169.5	162.8	-0.8	3.3
Racine (County)	24.9	24.9	23.7	0.0	5.1
Sheboygan (County)	18.8	18.4	17.2	2.2	9.3
Wausau (Marathon County)	12.0	11.8	11.4	1.7	5.3

WISCONSIN'S ECONOMIC OUTLOOK

by David H. Peterson and Gene Schubert
Department of Revenue

National Economic Overview

The near term economic outlook for the national and Wisconsin economies calls for a significant slowdown in the pace of economic growth. By the second quarter of 1985, real GNP is projected to increase by only one percent. By contrast, real GNP has expanded at a 7.2% average pace over the past six quarters, propelled by two springtime bursts of consumer demand and much better than average capital investment for a recovery period. This robust growth was produced by a classical fiscal stimulus in the form of tax cuts, defense spending, and a drop in oil prices, accompanied by generous credit expansion. With business and consumer expectations in place for the remainder of this year, it is likely that the economy will continue to grow in the 2.5-5.0% range for the rest of 1984.

A note of caution is advisable, however, when considering the current state of the economy and the outlook for 1985, although currently expanding rapidly, the economy today is not in equilibrium; that is, the current pace cannot be sustained in the longer-term, and some corrections to a more sustainable growth path will be necessary.

A large part of the federal budget deficit to date has been financed by the export of debt to foreign nations. Since we have been unable to export enough goods to pay for the sharp growth in imports, we have in effect exported "IOUs." The current account has shifted from a slight surplus in 1981 toward a $100 billion trade deficit this year. Meanwhile, the federal budget deficit has expanded from $64.3 billion in 1981 to $177 billion this year. Thus, at some point in the near future, the nation will have to divert a rising fraction of income from domestic spending to service these debts. In order to attract lenders, interest rates have been exceptionally high relative to expected inflation. Therefore, repayment will consume significantly more in real resources tomorrow than has been gained from the recovery to date.

The level of interest rates will have a major impact on the course of the economy next year. According to its Midyear Monetary Policy Report to Congress, the Federal Reserve has not altered targets for the broad measurer of the monetary aggregates for the remainder of this year. For next year, however, the Fed has lowered the upper bound of the target ranges for M1 and M2. The midpoint of the M2 target range is 7 1/4 percent. This means that if inflation next year is in the 5 1/4 - 5 1/2 percent range, as expected by the Fed, real growth in the economy will be limited to no more than 2% in the absence of an increase in monetary targets.

The current real growth in the economy is well above two percent. Even allowing for the possibility of lower inflation and money growth in the upper half of the target range, it seems likely that higher interest rates will be required to meet the Federal reserve's target objectives.

The implications of higher interest rates in 1985 are increasing unemployment and sluggish growth in output. The risk of a reces-

sion beginning in late 1985 is significant.

A slowdown in growth will probably first become evident in housing and construction employment, and then work its way to autos and other consumer durables.

The timing of the correction needed to get the economy back onto a balanced growth path will hinge on performance of fixed investment. If business investment does exceptionally well this year and does not decline in response to higher interest rates, the need correction may be delayed until 1986.

Wisconsin Economic Outlook

Total nonfarm employment in Wisconsin reached 1,901,300 in the second quarter, a gain of 8,100 jobs over the first quarter. This represents an annualized growth rate of 1.7%, lower than the rate recorded in the previous two quarters (6.4% in 1983:4 and 5.0% in 1984:1). Total employment in Wisconsin is projected to grow at approximately a 3.5% rate during the second half of this year and is expected to average 1,911,900 for the year. Year-over-year average growth would then be 3.4%, compared to a 4.4% gain nationally.

Wisconsin employment growth has fallen short of the national rate primarily because of continued weakness in manufacturing, where growth this year is expected to reach 508,600, a gain of 5.3% over last year but still 1% lower than the national growth rate for manufacturing. Firms in Wisconsin have been extraordinarily cautious about new hires in the face of a currently strong national recovery.

Because of the severity of the past recession in the industrial Midwest, Wisconsin manufacturing firms undertook extreme readjustment measures, consisting of cost cutting, layoffs for both blue and white collar employes, and restructuring of product lines. After these painful readjustment measures, many firms undoubtedly found profitable operating rates at a permanently lower employment level. In addition, some Wisconsin industries, such as electrical and nonelectrical machinery, have a disadvantageous industry and product mix, which also contributes to the relatively slower rate of recovery in Wisconsin.

Personal income in Wisconsin, adjusted for inflation, is projected to grow to the level of $26.3 billion in 1984, a gain of 6.4% over 1983. This compares to a 6.5% increase for U.S. real personal income. Real disposable income growth will be somewhat better, as state tax surcharges have been removed and lower federal personal tax rates come into force.

The expected slowdown in the U.S. economy next year should also impact the Wisconsin economy in the form of reduced rates of growth in employment and income. Total employment for 1985 should reach the level of 1,962,900, a gain of 51,000 jobs (2.7%) over this year. This level is still 19,000 less than the pre-recession peak level of nonfarm employment reached in 1979:4. Goods producing industries in Wisconsin, consisting of manufacturing, mining and construction should reach the level of 588,700 jobs in 1985. This is a gain of 3.3%, compared to a 5.5% growth rate this year.

All other private industries are expected to grow by 2.4% in 1985, compared to 2.5% this year. As expected, therefore, a growth pause nationally next year will be disproportionately distributed among the goods producing industries vs. the service industries, as high interest rates and foreign competition continue to take their toll.

Real personal income is also projected to see a reduced rate of growth next year (3.9%) as wages and salaries grow by 7.6%, farm income drops by $200 million in response to lower milk prices, and other income grows by 9.5%.

Summary

Both the national and Wisconsin economies should continue to perform reasonably well for the remainder of this year in spite of very serious problems associated with the federal budget deficit and the international trade imbalance. However, sustained long-term growth is not likely in the absence of major federal budget deficit reduction policies. The prospects for major action are, at best, uncertain. The probable result is a sharp slowdown of the economy in 1985 and a significant risk of recession in late 1985 or 1986.

WISCONSIN EMPLOYMENT SUMMARY
Employment (thousands of workers, annual average)

	1982	1983	1984	1985
TOTAL EMPLOYMENT (Nonfarm)	1866.7	1848.9	1911.9	1962.9
% Change		- 1.0	3.4	2.7
MANUFACTURING - DURABLE	310.8	295.4	317.2	331.9
% Change		- 5.0	7.4	4.6
MANUFACTURING - NONDURABLE	187.4	187.7	191.4	194.4
% Change		0.2	2.0	1.6
MINING	1.9	2.2	2.4	2.4
% Change		15.8	9.1	0.0
CONSTRUCTION	56.9	55.0	59.1	60.0
% Change		- 3.3	7.5	1.5
TRANS., COMM., UTILITIES	89.4	85.2	87.1	89.8
% Change		- 4.7	2.2	3.1
FINANCE, INSURANCE, REAL ESTATE	95.8	97.2	98.7	100.9
% Change		1.5	1.5	2.2
TRADE	428.9	426.4	442.3	457.5
% Change		- 0.6	3.7	3.4
SERVICES	381.4	385.8	396.4	406.1
% Change		1.2	2.7	2.4
GOVERNMENT	314.1	313.9	317.2	319.8
% Change		- 0.1	1.1	0.8

WISCONSIN MANUFACTURING EMPLOYMENT FORECAST: INDUSTRY DETAIL
(THOUSANDS OF WORKERS)

	QUARTERLY DATA						ANNUAL DATA		
	84:1	84:2	84:3	84:4	85:1	85:2	1983	1984	1985
ALL MANUFACTURING	505.5	504.6	509.1	515.2	521.9	525.9	483.2	508.6	526.3
% CHANGE	8.5	-0.7	3.6	4.9	5.3	3.1	-3.0	5.3	3.5
DURABLES	314.7	314.2	317.5	322.3	327.7	331.2	295.4	317.2	331.9
% CHANGE	13.8	-0.6	4.1	6.3	6.8	4.4	-4.9	7.4	4.6
LUMBER PRODUCTS	21.6	22.7	23.2	23.5	23.5	23.3	20.0	22.8	23.2
% CHANGE	16.3	20.0	10.9	4.4	0.0	-3.1	9.4	13.8	2.1
STONE,CLAY GLASS	8.9	8.2	8.3	8.7	8.7	8.6	7.9	8.5	8.6
% CHANGE	48.0	-28.5	3.8	20.2	-1.3	-4.4	-0.5	8.3	0.2
PRIMARY METALS	18.9	19.5	19.5	19.7	20.1	20.4	17.6	19.4	20.5
% CHANGE	4.4	12.6	1.2	3.0	8.1	6.6	-12.4	10.0	5.5
FABRICATED METALS	50.6	50.5	50.6	51.4	52.9	54.2	48.6	50.8	54.8
% CHANGE	6.7	-1.1	1.0	6.7	12.3	10.4	-4.1	4.4	7.9
NON-ELEC MACH.	97.4	97.2	98.0	100.1	102.5	104.7	91.4	98.2	105.3
% CHANGE	20.3	-0.8	3.3	8.7	10.1	8.8	-12.1	7.4	7.3
ELECTRICAL MACH.	50.1	50.5	50.9	51.3	51.6	51.6	48.2	50.7	51.4
% CHANGE	5.0	3.3	3.3	3.2	2.2	0.0	-3.7	5.2	1.5
TRANS. EQUIPMENT	37.3	35.9	36.7	37.2	37.7	37.7	32.9	36.8	37.4
% CHANGE	20.4	-13.7	8.5	5.7	6.0	-0.6	10.1	11.8	1.7
OTHER DURABLES	29.8	29.8	30.2	30.5	30.7	30.8	28.8	30.1	30.7
% CHANGE	9.8	-0.5	5.8	3.5	3.1	0.9	-3.5	4.3	2.2
NONDURABLES	190.8	190.3	191.6	192.9	194.2	194.7	187.7	191.4	194.4
% CHANGE	0.5	-0.9	2.8	2.6	2.8	0.9	0.2	2.0	1.6
FOOD PRODUCTS	62.6	61.3	61.0	61.3	61.8	62.1	62.3	61.5	62.0
% CHANGE	-1.4	-8.3	-1.4	1.6	3.7	1.5	-1.1	-1.3	0.8
PAPER PRODUCTS	46.8	47.1	47.6	47.8	47.9	47.8	46.5	47.3	47.7
% CHANGE	-2.8	2.1	4.3	1.6	0.7	-0.2	-0.3	1.7	0.8
PRINTING, PUBLISH	33.4	33.9	34.3	34.6	34.9	35.1	32.7	34.0	35.1
% CHANGE	4.8	6.6	4.8	3.8	3.4	2.2	0.7	3.9	3.3
CHEMICAL PRODUCTS	9.2	9.2	9.4	9.6	9.7	9.8	9.2	9.4	9.8
% CHANGE	-2.5	0.3	10.1	7.5	5.9	2.8	-1.1	1.5	4.7
RUBBER, PLASTICS	18.3	18.5	18.8	19.0	19.3	19.3	17.2	18.7	19.3
% CHANGE	5.7	5.3	6.2	5.5	4.7	1.4	4.1	8.6	3.3
OTHER NONDURABLES	20.5	20.4	20.5	20.6	20.6	20.6	19.7	20.5	20.4
% CHANGE	4.0	-2.5	2.5	1.1	1.3	-1.5	1.8	3.9	-0.3

Section

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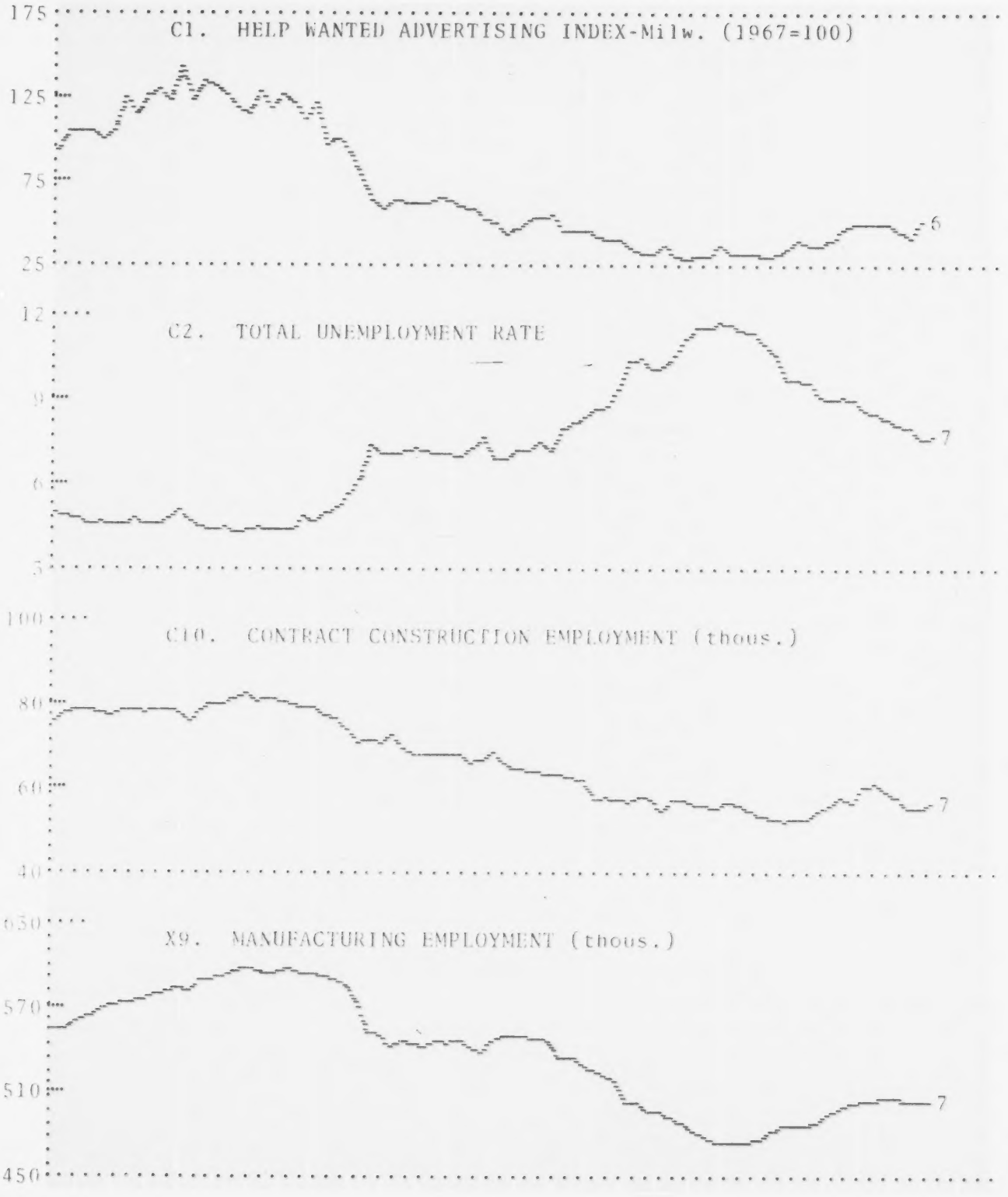

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